

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 72

Citations Affected: IC 4-8.1-2-4; IC 5-10-10; IC 5-10.2; IC 5-13-10.5-3.

Synopsis: State officers; public employee benefits. Authorizes a special death benefit for a chaplain who: (1) is appointed or officially designated to serve a state law enforcement agency, a sheriff's department, a volunteer fire department, or a full-time police or fire department of a political subdivision; and (2) dies in the line of duty. Allows, after December 31, 2008, a member of the public employees' retirement fund (PERF) who: (1) is vested; (2) separates from employment; and (3) does not perform service in a covered position for at least 90 days; to elect to withdraw the entire amount in the member's annuity savings account. Provides that, unless the member has transferred the creditable service earned in PERF to another governmental retirement plan, a PERF member who elects to withdraw the entire amount in the member's annuity savings account is entitled to receive, when the member becomes eligible to receive a retirement benefit, a benefit equal to the pension provided by employer contributions. Provides that an individual elected treasurer of state takes office January 1 following the individual's election. Provides that the individual elected treasurer of state at the 2006 election vests as a member of PERF if the individual is reelected as treasurer of state at the 2010 election and serves in office until January 1, 2015. Establishes 65 years of age with at least eight years of creditable service as the normal retirement age for a state officer to whom Article 6, Section 1 of the Constitution of the State of Indiana applies. Removes the July 1, 2007, expiration date of a provision that authorizes the treasurer of state to make investments in certain securities that have a maturity of more than two years and not more than five years. Legalizes any such investments made after June 30, 2007. Requires a member of the teachers' retirement fund or the PERF who retires with service in more than one retirement fund to choose when the member applies for retirement benefits which fund to retire from. (Current law requires a member with service in more than one retirement fund to retire from the last fund in which the member rendered service.) (The introduced version of this bill was prepared by the pension management oversight commission.) **(This conference committee report: (1) removes language that requires a member of the teachers' retirement fund (TRF) or the public employees' retirement fund (PERF) who retires with service in more than one retirement fund to retire from the fund in which the member rendered the greatest number of years of service; (2) adds language that allows a member of TRF or PERF who retires with service in more than one**

retirement fund to choose when the member applies for retirement benefits which fund to retire from; and (3) makes technical corrections to resolve a conflict between SB 72 and SB 215.)

Effective: Upon passage; July 1, 2008.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 72 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-8.1-2-4 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. **(a) The individual**
- 4 **elected as treasurer of state shall take office on January 1 following**
- 5 **the individual's election.**
- 6 **(b)** The treasurer of state and ~~his~~ **the treasurer's** deputy treasurers
- 7 shall each give bond in an amount determined by the auditor of state
- 8 and the governor. The bond shall be conditioned on the faithful
- 9 performance of the duties as treasurer of state and deputy treasurer,
- 10 respectively. The bond must be procured from a surety company
- 11 authorized by law to transact business in this state.
- 12 SECTION 2. IC 5-10-10-4, AS AMENDED BY P.L.2-2007,
- 13 SECTION 84, AS AMENDED BY P.L.132-2007, SECTION 4, AND
- 14 AS AMENDED BY P.L.227-2007, SECTION 56, IS CORRECTED
- 15 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 16 2008]: Sec. 4. As used in this chapter, "public safety officer" means any
- 17 of the following:
- 18 (1) A state police officer.
- 19 (2) A county sheriff.
- 20 (3) A county police officer.
- 21 (4) A correctional officer.

- (5) An excise police officer.
 - (6) A county police reserve officer.
 - (7) A city police reserve officer.
 - (8) A conservation enforcement officer.
 - (9) A town marshal.
 - (10) A deputy town marshal.
 - (11) A probation officer.
 - (12) A state ~~university, college, or junior college~~ educational institution police officer appointed under ~~IC 20-12-3.5~~ IC 21-39-4.
 - (13) A police officer whose employer purchases coverage under section 4.5 of this chapter.
 - (14) An emergency medical services provider (as defined in IC 16-41-10-1) who is:
 - (A) employed by a political subdivision (as defined in IC 36-1-2-13); and
 - (B) not eligible for a special death benefit under IC 36-8-6-20, IC 36-8-7-26, IC 36-8-7.5-22, or IC 36-8-8-20.
 - (15) A firefighter who is employed by the fire department of a state university.
 - (16) A firefighter whose employer purchases coverage under section 4.5 of this chapter.
 - (17) A member of a consolidated law enforcement department established under IC 36-3-1-5.1.
 - (18) A gaming agent of the Indiana gaming commission.
 - (19) A person who is:
 - (A) employed by a political subdivision (as defined in IC 36-1-2-13); and
 - (B) appointed as a special deputy under IC 36-8-10-10.6.
 - (20) *A school corporation police officer appointed under IC 20-26-16.*
 - ~~(20)~~ **(21) A gaming control officer of the Indiana gaming commission.**
 - (22) An eligible chaplain who meets the requirements of section 4.7 of this chapter.**
- SECTION 3. IC 5-10-10-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4.7. (a) As used in this section, "eligible chaplain" means an individual who is appointed or officially designated to serve, with or without compensation, as a chaplain of any of the following:**
- (1) A law enforcement agency (as defined in IC 4-33-2-11.6).**
 - (2) A full-time police department of a political subdivision (as defined in IC 36-1-2-13).**
 - (3) A full-time fire department of a political subdivision (as defined in IC 36-1-2-13).**
 - (4) A volunteer fire department (as defined in IC 36-8-12-2).**
 - (5) A sheriff's department of a county.**
- (b) An eligible chaplain who dies as a direct result of personal injury or illness resulting from the eligible chaplain's performance of duties as a chaplain for the agency or department that the**

1 **eligible chaplain was appointed or officially designated to serve is**
 2 **eligible for a special death benefit from the fund in the same**
 3 **manner as any other public safety officer is eligible for a benefit**
 4 **from the fund.**

5 SECTION 4. IC 5-10.2-1-8, AS AMENDED BY P.L.88-2005,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2008]: Sec. 8. (a) Except as provided in subsection (b),
 8 "vested status" as used in this article means the status of having ten
 9 (10) years of creditable service.

10 (b) In the case of a person who is an elected county official whose
 11 governing body has provided for the county official's participation in
 12 the public employees' retirement fund under IC 5-10.3-7-2(1), "vested
 13 status" means the status of having:

14 (1) at least eight (8) years of creditable service as an elected
 15 county official in an office described in IC 5-10.2-4-1.7;

16 (2) been elected at least two (2) times if the person would have
 17 had at least eight (8) years of creditable service as an elected
 18 county official in an office described in IC 5-10.2-4-1.7 had the
 19 person's term of office not been shortened under a statute enacted
 20 under Article 6, Section 2(b) of the Constitution of the State of
 21 Indiana; or

22 (3) at least ten (10) years of creditable service as a member of the
 23 fund based on a combination of service as an elected county
 24 official and as a full-time employee in a covered position.

25 (c) In the case of a person whose term of office commences after the
 26 election on November 5, 2002, as auditor of state, secretary of state, or
 27 treasurer of state, and who is prohibited by Article 6, Section 1 of the
 28 Constitution of the State of Indiana from serving in that office for more
 29 than eight (8) years during any period of twelve (12) years, that person
 30 shall be vested with at least eight (8) years of creditable service as a
 31 member of the fund.

32 **(d) This subsection applies to an individual elected to the office**
 33 **of treasurer of state at the election on November 7, 2006. The**
 34 **individual is vested for purposes of this article if the individual is**
 35 **reelected as treasurer of state at the 2010 general election and**
 36 **serves in the office until January 1, 2015.**

37 SECTION 5. IC 5-10.2-2-8 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) For a member
 39 who retires **after June 30, 2008**, with service in more than one (1)
 40 retirement fund, ~~the last retirement fund in which the member rendered~~
 41 **service may choose at the time the member files an application for**
 42 **retirement benefits whether to retire from the Indiana state**
 43 **teachers' retirement fund or from the public employees' retirement**
 44 **fund. The fund that the member chooses** shall pay the retirement
 45 benefits to the member. The pension shall be computed and vested
 46 status shall be determined on the basis of combined creditable service.
 47 The annuity, if any, shall be computed on the basis of amounts credited
 48 to the member in annuity savings accounts in all funds **minus any**
 49 **amount withdrawn by the member under IC 5-10.2-3-6.5.** The
 50 funds in which the employee was a member shall pay to the fund
 51 responsible for payment of benefits:

(1) the amount credited to ~~him~~ **the member** in the annuity savings account; and

(2) the proportionate actuarial cost of ~~his~~ **the member's** pension.

(b) A member of the Indiana state teachers' retirement fund who has served as a member of the general assembly and who retires after June 30, 1980, may choose at ~~his~~ **the member's** retirement date whether to retire from the Indiana state teachers' retirement fund or from the public employees' retirement fund. If ~~he~~ **the member** chooses to retire from the public employees' retirement fund, that fund is responsible for the payment of benefits provided in IC 5-10.2-4, and the Indiana state teachers' retirement fund shall pay to the public employees' retirement fund:

(1) the amount credited to that member in the annuity savings account in the Indiana state teachers' retirement fund; and

(2) the proportionate actuarial cost of ~~his~~ **the member's** pension.

SECTION 6. IC 5-10.2-3-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.2. (a) A member who has earned at least ten (10) years of service in a position covered by PERF, TRF, or a combination of the two (2) funds may purchase one (1) year of service credit for each five (5) years of service that the member has completed in a position covered by PERF or TRF.

(b) Before a member retires, a member who desires to purchase additional service credit under subsection (a) must contribute to the fund as follows:

(1) Contributions that are equal to the product of the following:

(A) The member's salary at the time the member actually makes a contribution for the service credit.

(B) A rate, determined by the actuary for the fund, that is based on the age of the member at the time the member actually makes a contribution for the service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(C) The number of years of service credit the member intends to purchase.

(2) Contributions for any accrued interest, at a rate determined by the actuary for the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(c) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for the purpose of computing benefits unless the member has made all payments required for the purchase of the service credit.

(4) To the extent permitted by the Internal Revenue Code and applicable regulations, a member may purchase service credit under this section by a rollover distribution to the fund from any of the following:

(A) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.

(B) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(C) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(D) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

(d) A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly benefit may withdraw the purchase amount, plus accumulated interest, after submitting a properly completed application for a refund to the fund. However, the member must also apply for a refund of the member's entire annuity savings account under section 6 **or 6.5** of this chapter to be eligible for a refund of the member's rollover amount.

(e) For a member who is a state employee, the employer may pay all or a part of the member contributions required for the purchase of service credit under this section. In that event, the actuary shall determine the amortization, and subsections (c)(1), (c)(3), (c)(4), and (d) do not apply.

(f) For a member who is an employee of a participating political subdivision, the employer may adopt an ordinance to pay all or a part of the member contributions required for the purchase of service credit under this section. In that event, the actuary shall determine the amortization, and subsections (c)(1), (c)(3), (c)(4), and (d) do not apply.

SECTION 7. IC 5-10.2-3-6.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.2. **(a) This section applies to a member of the Indiana state teachers' retirement fund.**

(b) A member who:

(1) has attained vested status in the fund;

(2) has terminated employment;

(3) has not begun receiving benefits; and

(4) is transferring creditable service earned under ~~PERF~~ or TRF to another governmental retirement plan under section 1(i) of this chapter;

may suspend the member's membership and withdraw the member's annuity savings account to purchase creditable service in the other governmental retirement plan.

SECTION 8. IC 5-10.2-3-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 6.5. (a) This section applies after December 31, 2008, to a member of the public employees' retirement fund.**

(b) A member who meets all of the following requirements may elect to withdraw the entire amount in the member's annuity savings account before the member is eligible to do so at retirement under IC 5-10.2-4-2:

- (1) The member has attained vested status in the fund.
- (2) The member terminates employment.
- (3) The member has not performed any service in a position covered by the fund for at least ninety (90) days after the date the member terminates employment.

(c) A member who elects to withdraw the entire amount in the member's annuity savings account under subsection (b) shall provide notice of the election on a form provided by the board.

(d) The election to withdraw the entire amount in the member's annuity savings account is irrevocable.

(e) The board shall pay the amount in the member's annuity savings account as a lump sum.

(f) Except as provided in subsection (g), a member who makes a withdrawal under this section is entitled to receive, when the member becomes eligible to receive a retirement benefit under IC 5-10.2-4, a retirement benefit equal to the pension provided by employer contributions computed under IC 5-10.2-4.

(g) A member who:

- (1) transfers creditable service earned under the fund to another governmental retirement plan under section 1(i) of this chapter; and
- (2) withdraws the member's annuity savings account under this section to purchase the service;

may not use the transferred service in the computation of a retirement benefit payable under subsection (f).

SECTION 9. IC 5-10.2-4-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.3. (a) A member who files an application for retirement benefits must provide the following information on the application form:

- (1) The retirement date chosen by the member.
- (2) **If the member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5**, whether the member chooses:
 - (A) an annuity purchased from the amount credited to the member in the annuity savings account;
 - (B) a total or partial distribution from the annuity savings account under section 2(b) of this chapter; or
 - (C) a deferral of the payment of any benefits from the annuity savings account under section 2(c) of this chapter.
- (3) The name of the beneficiary or beneficiaries designated by the member with respect to the pension portion of the member's retirement benefit.
- (4) The name of the beneficiary or beneficiaries designated by the member with respect to the annuity portion of the member's retirement benefit, unless the member chooses total distribution under section 2 of this chapter.

(b) A member's designation of beneficiaries in the application for

retirement benefits supersedes any previous designation of beneficiaries by the member.

(c) A member must indicate the name, address, date of birth, and Social Security number of each designated beneficiary and provide proof of birth of each designated beneficiary.

(d) Each board shall adopt a form for the application for retirement benefits that meets the requirements of this section.

SECTION 10. IC 5-10.2-4-1.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.9. (a) This section applies only to a member of the public employees' retirement fund:**

(1) who has served as a state officer listed in Article 6, Section 1 of the Constitution of the State of Indiana; and

(2) whose term of office as a state officer commenced after the election held on November 5, 2002.

(b) A member is eligible for normal retirement after becoming sixty-five (65) years of age if the member:

(1) has:

(A) served as a state officer listed in Article 6, Section 1 of the Constitution of the State of Indiana for at least eight (8) years; or

(B) been elected at least two (2) times and would have served at least eight (8) years as a state officer listed in Article 6, Section 1 of the Constitution of the State of Indiana had the member's term of office not been shortened under a statute enacted to establish uniform dates for beginning the terms of state officers listed in Article 6, Section 1 of the Constitution of the State of Indiana; and

(2) is prohibited by Article 6, Section 1 of the Constitution of the State of Indiana from serving in that office for more than eight (8) years in any period of twelve (12) years.

(c) A member who:

(1) has served as a state officer listed in Article 6, Section 1 of the Constitution of the State of Indiana; and

(2) does not meet the requirements of subsection (b);

is eligible for normal retirement if the member has attained vested status (as defined in IC 5-10.2-1-8(a)) and meets the requirements of section 1 of this chapter.

SECTION 11. IC 5-10.2-4-2, AS AMENDED BY P.L.62-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 2. (a) Unless a member elects otherwise under this section or has elected to withdraw the member's annuity savings account under IC 5-10.2-3-6.5, the retirement benefit for each member consists of the sum of a pension provided by employer contributions plus an annuity provided by the amount credited to the member in the annuity savings account. If a member has elected to withdraw the member's annuity savings account under IC 5-10.2-3-6.5, the member's retirement benefit is equal to the pension provided by employer contributions, unless the member has transferred the creditable service earned under the public**

employees' retirement fund to another governmental retirement plan under IC 5-10.2-3-1(i).

(b) **If a member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5,** a member may choose at retirement or upon a disability retirement to receive a distribution of:

- (1) the entire amount credited to the member in the annuity savings account; or
- (2) an amount equal to the member's federal income tax basis in the member's annuity savings account balance as it existed on December 31, 1986.

If the member chooses to receive the distribution under subdivision (1), the member is not entitled to an annuity as part of the retirement or disability benefit. If the member chooses to receive the distribution under subdivision (2), the member is entitled to an annuity purchasable by the amount remaining in the member's annuity savings account after the payment under subdivision (2).

(c) Instead of choosing to receive the benefits described in subsection (a) or (b), **if a member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5,** a member may choose upon retirement or upon disability retirement to begin receiving a pension provided by employer contributions and to defer receiving in any form the member's annuity savings account. If a member chooses this option, the member:

- (1) is not entitled to an annuity as part of the member's retirement or disability benefit, and the member's annuity savings account will continue to be invested according to the member's direction under IC 5-10.2-2-3; and
- (2) may later choose, as of the first day of a month, or an alternate date established by the rules of each board, to receive a distribution of:
 - (A) the entire amount credited to the member in the annuity savings account; or
 - (B) an amount equal to the member's federal income tax basis in the member's annuity savings account balance as it existed on December 31, 1986.

If the member chooses to receive the distribution under subdivision (2)(A), the member is not entitled to an annuity as part of the member's retirement or disability benefit. If the member chooses to receive the distribution under subdivision (2)(B), the member is entitled to an annuity purchasable by the amount remaining in the member's annuity savings account after the payment under subdivision (2)(B). If the member does not choose to receive a distribution under this subsection, the member is entitled to an annuity purchasable by the entire amount in the member's annuity savings account, and the form of the annuity shall be as described in subsection (d) unless the member elects an option described in section 7(b)(1), 7(b)(2), or 7(b)(4) of this chapter. The amount to be paid under this section shall be determined in the manner described in IC 5-10.2-2-3, except that it shall be determined as of the last day of the quarter preceding the member's actual distribution or annuitization date. However, each board may by rule

1 provide for an alternate valuation date.

2 (d) Retirement benefits must be distributed in a manner that
3 complies with Section 401(a)(9) of the Internal Revenue Code, as
4 specified in IC 5-10.2-2-1.5.

5 SECTION 12. IC 5-10.2-4-4 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The computation
7 of benefits under this section is subject to IC 5-10.2-2-1.5.

8 (b) For retirement benefits payable on and after July 1, 1975, for a
9 member retired on and after January 1, 1956, the pension (p) is
10 computed as follows:

11 STEP ONE: Multiply one and one-tenths percent (1.1%) times the
12 average of the annual compensation (aac) and obtain a product.

13 STEP TWO: To obtain the pension, multiply the STEP ONE
14 product by the total creditable service (scr) completed by the
15 member on ~~his~~ **the member's** retirement date.

16 Expressed mathematically:

17 $p = (.011) \text{ times } (aac) \text{ times } (scr)$

18 (c) Unless the member:

19 (1) has chosen a lump sum payment under section ~~2~~ **2(b)** of this
20 chapter; ~~or~~

21 **(2) has elected to withdraw the entire amount in the member's**
22 **annuity savings account under IC 5-10.2-3-6.5; or**

23 **(3) elects to defer receiving in any form the member's annuity**
24 **savings account under section 2(c) of this chapter;**

25 the annuity is the amount purchasable on the member's retirement date
26 by the amount credited to the member in the annuity savings account.
27 The amount purchasable is based on actuarial tables adopted by the
28 board under IC 5-10.2-2-10 at an interest rate determined by the board.

29 SECTION 13. IC 5-10.2-4-7, AS AMENDED BY P.L.149-2007,
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2008]: Sec. 7. (a) Benefits provided under this section are
32 subject to IC 5-10.2-2-1.5.

33 (b) A member who retires is entitled to receive monthly retirement
34 benefits, which are guaranteed for five (5) years or until the member's
35 death, whichever is later. A member may select in writing any of the
36 following nonconflicting options for the payment of the member's
37 retirement benefits instead of the five (5) year guaranteed retirement
38 benefit payments. The amount of the optional payments shall be
39 determined under rules of the board and shall be the actuarial
40 equivalent of the benefit payable under sections 4, 5, and 6 of this
41 chapter. **A member who has elected to withdraw the entire amount**
42 **in the member's annuity savings account under IC 5-10.2-3-6.5**
43 **may not select the cash refund annuity option.**

44 (1) Joint and Survivor Option.

45 (A) The member receives a decreased retirement benefit
46 during the member's lifetime, and there is a benefit payable
47 after the member's death to a designated beneficiary during the
48 lifetime of the beneficiary, which benefit equals, at the option
49 of the member, either the full decreased retirement benefit or
50 two-thirds (2/3) or one-half (1/2) of that benefit.

51 (B) If the member dies before retirement, the designated

- beneficiary may receive only the amount credited to the member in the annuity savings account unless the designated beneficiary is entitled to survivor benefits under IC 5-10.2-3.
- (C) If the designated beneficiary dies before the member retires, the selection is automatically canceled and the member may make a new beneficiary election and may elect a different form of benefit under this subsection.
- (2) Benefit with No Guarantee. The member receives an increased lifetime retirement benefit without the five (5) year guarantee specified in this subsection.
- (3) Integration with Social Security. If the member retires before the age of eligibility for Social Security benefits, in order to provide a level benefit during the member's retirement the member receives an increased retirement benefit until the age of Social Security eligibility and decreased retirement benefits after that age.
- (4) Cash Refund Annuity. The member receives a lifetime annuity purchasable by the amount credited to the member in the annuity savings account, and the member's designated beneficiary receives a refund payment equal to:
- (A) the total amount used in computing the annuity at the retirement date; minus
 - (B) the total annuity payments paid and due to the member before the member's death.
- (c) This subsection does not apply to a member of the Indiana state teachers' retirement fund after June 30, 2007. If:
- (1) the designated beneficiary dies while the member is receiving benefits; or
 - (2) the member is receiving benefits, the member marries, either for the first time or following the death of the member's spouse, after the member's first benefit payment is made, and the member's designated beneficiary is not the member's current spouse or the member has not designated a beneficiary;
- the member may elect to change the member's designated beneficiary or form of benefit under subsection (b) and to receive an actuarially adjusted and recalculated benefit for the remainder of the member's life or for the remainder of the member's life and the life of the newly designated beneficiary. The member may not elect to change to a five (5) year guaranteed form of benefit. If the member's new election is the joint and survivor option, the member shall indicate whether the designated beneficiary's benefit shall equal, at the option of the member, either the member's full recalculated retirement benefit or two-thirds (2/3) or one-half (1/2) of this benefit. The cost of recalculating the benefit shall be borne by the member and shall be included in the actuarial adjustment.
- (d) Except as provided in subsection (c) or section 7.2 of this chapter, a member who files for regular or disability retirement may not change:
- (1) the member's retirement option under subsection (b);
 - (2) the selection of a lump sum payment under section 2 of this chapter; or

(3) the beneficiary designated on the member's application for benefits if the member selects the joint and survivor option under subsection (b)(1);

after the first day of the month in which benefit payments are scheduled to begin. For purposes of this subsection, it is immaterial whether a benefit check has been sent, received, or negotiated.

(e) A member may direct that the member's retirement benefits be paid to a revocable trust that permits the member unrestricted access to the amounts held in the revocable trust. The member's direction is not an assignment or transfer of benefits under IC 5-10.3-8-10 or IC 5-10.4-5-14.

SECTION 14. IC 5-13-10.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), investments under this chapter may be made only in securities having a stated final maturity of two (2) years or less from the date of purchase.

(b) The treasurer of state may make investments in securities having a final maturity or redemption date that is more than two (2) years and not more than five (5) years after the date of purchase or subscription. After an investment is made under this subsection, the total investments outstanding under this subsection may not exceed twenty-five percent (25%) of the total portfolio of funds invested by the treasurer of state. However, an investment that complies with this subsection when the investment is made remains legal even if a subsequent decrease in the total portfolio invested by the treasurer of state causes the percentage of investments outstanding under this subsection to exceed twenty-five percent (25%). The treasurer of state may contract with federally regulated investment advisers and other institutional money managers to make investments under this section. ~~This subsection expires July 1, 2007.~~

(c) Unless prohibited under federal law, the treasurer of state shall invest under subsection (b) the funds of the transportation corridor fund established by IC 8-4.5-3-7. The treasurer of state may invest other funds held by the state in compliance with subsection (b). ~~This subsection expires July 1, 2007.~~

SECTION 15. [EFFECTIVE UPON PASSAGE] **Actions taken after June 30, 2007, and before the passage of this act that would have been valid under IC 5-13-10.5-3, as amended by this act, are legalized and validated.**

SECTION 16. **An emergency is declared for this act.**
(Reference is to ESB 72 as printed February 8, 2008.)

Conference Committee Report
on
Engrossed Senate Bill 72

Signed by:

Senator Kruse
Chairperson

Representative Niezgodski

Senator Tallian

Representative Buell

Senate Conferees

House Conferees